

SSA/DDS 67-1707

Approved For Release 2000/08/04 : CIA-RDP79-00639A000100100007-5

**DISPATCH**

PROCESSING ACTION

			MARKED FOR INDEXING
TO	Chiefs of Station and Base	X	NO INDEXING REQUIRED
INFO.			ONLY QUALIFIED DESK CAN JUDGE INDEXING
FROM	Chief, [REDACTED]		MICROFILM

SUBJECT

New Benefits for Certain Contract Employees

ACTION REQUIRED - REFERENCES

1. The Civil Service Commission has rendered a decision, effective 1 July 1967, whereby certain benefits, to which they have not heretofore been entitled, are now made available to certain contract employees employed by the Government. The benefits are civil service retirement, Federal health benefits, Federal Employees Group Life Insurance, and unemployment compensation benefits. Eligible are those contract employees (includes career agents) who are U.S. citizens, and whose contracts are for a term of more than one year and provide for performance of duties on a regular schedule. Independent contractors (contract agents) are not contract employees.

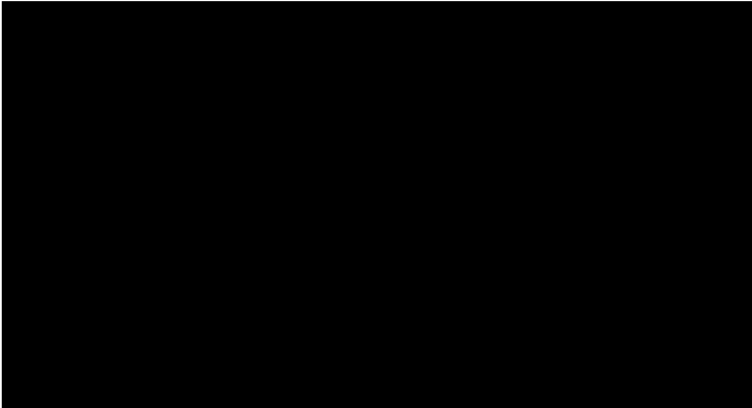
2. Chiefs of Station (and, where they have been delegated authority to execute contracts, Chiefs of Base) are requested to take the following action with regard to contract employees currently under field-executed contracts, except any who are under non-official cover, or are performing operational duties, or are not witting of Organization employment (for which see paragraph 3 below):

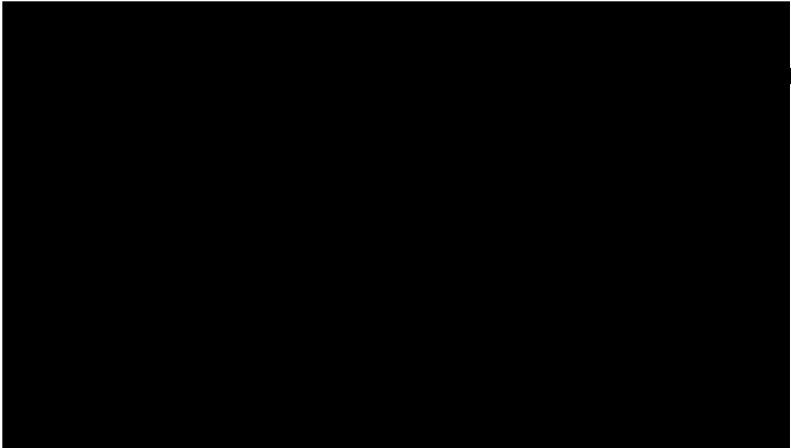
- a. Step One: Review the file of each contract employee to identify those who meet the following criteria: U.S. citizenship, regularly scheduled employment (full or part time), and a contemplated employment relationship exceeding one year.
- b. Step Two: Determine which of such contract employees should be designated to participate in the new benefit programs. It is expected that the determination will be affirmative in most cases. However, two factors which might argue against participation are:
  - (1) The imminent termination, resignation or retirement of the individual.
  - (2) The fact that the individual has almost enough quarters of coverage to permanently qualify him for a retirement annuity under the Social Security system.

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER BOOK DISPATCH NO. 6144	DATE 24 AUG 1967
GROUP 1 downgrading and declassification	CLASSIFICATION SECRET	HQS FILE NUMBER

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<p>c. <u>Step Three</u>: Prepare new contracts for the designated contract employees which include the new benefits. (The contract employee may elect not to take the new benefits.) The duration of these contracts must be in excess of one year. A sample contract is attached. This is for guidance only. The wording may be modified.</p> <p>3. Before preparing a new contract for any contract employee who is under nonofficial cover or who is performing operational duties, and before preparing a new contract or discussing the new benefits with a contract employee who is not witting of Organization employment, you should first obtain guidance from headquarters. This is so that any cover or security problems which exist or are likely to arise in connection with the benefits can be considered and resolved. In any such case the request for guidance should be by cable so as to minimize delay in granting the new benefits.</p> <p>4. Following are a number of general observations which are pertinent:</p> <p>a. The date 1 July 1967 referred to in paragraph 1 has no retroactive significance. For example, Civil Service Retirement coverage would begin not on 1 July but on the effective date of the new contract, which will be the date of the employee's signature.</p> <p>b. It should be noted that the new benefits constitute a package. A person may not choose part of the new package and part of the old. (See subparagraphs c., d., e., and f., below, however.)</p> <p>c. As part of the package, Federal Employees Group Life Insurance will automatically be effected unless specifically waived in writing by the contract employee. In the latter case, the waiver is to be forwarded to headquarters for record purposes. (Note: Career agents and contract employees who are integrated and were required to waive FEGLI at the time of integration are eligible for the coverage through headquarters, not through cover.)</p> <p>d. The contract life insurance plan is in no way affected by this new package. A contract employee or career agent who currently has contract life may continue or discontinue this coverage as he wishes without regard to the option he may exercise on his new FEGLI coverage. In addition application for this insurance may still be submitted.</p> <p>25X1C</p> 			
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- f. A career agent who is a member of the Organization retirement system is eligible for the benefits mentioned in paragraph 1.
- g. Heretofore contract employees under Social Security coverage were denied unemployment compensation by Executive Order. This exclusion does not apply to participants in the Civil Service Retirement System. (Additional information with regard to unemployment compensation is being prepared by headquarters and will be forwarded to the field when available.)
- h. The Organization will not reimburse a contract employee participating in the Civil Service Retirement system for mandatory Social Security deductions required by virtue of his cover employment.
- i. Contract employee service performed since 1 January 1955 under the Social Security system is not creditable service for Civil Service Retirement purposes. Service before the above date may or may not be creditable; headquarters will make a determination in each case upon request.

5. Chiefs of Station and Base are requested to inform headquarters by cable of the names (pseudonyms) of any contract employees under headquarters-executed contracts and career agents who are under their jurisdiction, including appropriate explanation in any case in which extension of the new benefits is not recommended. In the event an individual does not wish the new benefits, this should be stated. Headquarters will prepare new contracts and forward them to the field for signature.

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<p>6. Although the benefits listed in paragraph 1 are available to eligible contract employees throughout the Government, we do not know whether implementing instructions have been provided to their overseas installations by other elements of the Government. Consequently, unless you know that they have been and that the installation(s) in your area has (have) begun implementation, please caution affected contract employees and other members of your station not to discuss these new benefits with members of such installation(s), and to discuss them only with staff personnel of the station or base.</p> <p>7. Attached for your information, to assist you in answering questions which may arise, are copies of folders on Federal Employees Group Life Insurance and Civil Service Retirement.</p> <p>8. Should you have any questions on the subject of this dispatch, please forward them to headquarters through normal channels.</p> <div data-bbox="695 730 950 810" style="background-color: black; width: 157px; height: 38px; margin: 20px auto;"></div> <p style="text-align: right; margin-right: 50px;">25X1A9a</p> <p>Attachments: As Stated</p>			
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